

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6672**

**BILL NUMBER:** HB 1367

**NOTE PREPARED:** Feb 16, 2009

**BILL AMENDED:** Feb 12, 2009

**SUBJECT:** Hunting License Fees for Disabled Veterans.

**FIRST AUTHOR:** Rep. Crouch

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **X FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that a resident who has a service-connected disability may purchase a yearly license to hunt turkey or deer for a reduced fee. The reduced fee for veterans with disabilities, which also applies to fishing and hunting licenses, is in the amount necessary to obtain federal reimbursement funds.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) *Summary:* The net annual revenue loss is estimated at about \$68,000.

This results from an annual net increase in federal revenue estimated at \$22,073 and a reduction in revenue from license fees (state and federal) estimated at \$90,040. (Additional information pertaining to the number of hunters and anglers who only purchase one license, which affects federal reimbursement, will be provided when it becomes available.)

License fees are deposited in the Fish and Wildlife Fund, which funds the operating budgets of the DNR's Division of Fish and Wildlife and the Division of Law Enforcement.

(Revised) *Background:* Currently, a resident who has a service-connected disability may purchase a yearly license to fish or to hunt or to hunt and fish for a reduced fee of \$2.75. (These hunting licenses do not provide

for the hunting of deer or turkey. An additional license is needed to hunt deer or to hunt turkey.)

The number of licenses sold to veterans with disabilities for the past three years are outlined in the table below.

**Number of DNR Licenses Sold to Veterans with Disabilities**

<b>Year</b>	<b>Number</b>	<b>% Increase</b>
2006	3,365	n/a
2007	3,892	15.7%
2008	4,380	12.5%
Total	11,637	n/a
Average	3,879	14%

The bill changes the fee for the above licenses from \$2.75 to the minimum amount necessary to obtain federal reimbursement, which for 2009 would equal \$3.

*Additional State Revenue Based on Existing Eligible Licenses:* The DNR indicates that the minimum fee necessary to receive reimbursement for 2009 is \$3, or an increase of \$0.25. Because the number of licenses sold has increased each year, the following calculation will assume 4,000 eligible veterans (or a little over the average number for the past three years) will purchase a yearly license to hunt and/or fish for \$3. Applying the \$0.25 increase to the 4,000 would generate about \$1,000 in additional state revenue.

The table below indicates that for 2008, over 80% of licenses sold to veterans with disabilities included a license to hunt.

**Breakdown of Licenses Sold to Veterans with Disabilities**

<b>Type of License</b>	<b>2007</b>	<b>2008</b>
DAV Combo	2,997	3,435
DAV Fish	785	820
DAV Hunt	96	137
Total	3,878	4,392

\*This list includes 12 more total licenses in 2008 than the previous list.

*Additional Federal Revenue Based on Existing Eligible Licenses:* Given the above table, the total number of licenses issued in 2008 that involved **hunting** equaled 3,572. The federal reimbursement rate for 2009 is

\$21.97 per hunter, which would generate \$78,477 in 2009 if each of the licenses sold were sold to hunters who had not purchased any other license. If 10% of these hunters, or 357, only purchased one hunting license, the federal reimbursement would equal \$7,847.

The total number of licenses issued in 2008 that involved **fishing** equaled 4,255. The federal reimbursement rate for 2009 is \$11.13 per angler, which would generate \$47,358 if each angler only purchased one license. If 10% of these anglers did not purchase another license, the federal reimbursement would equal \$4,735.

Without the increase in the fee, the DNR will not receive federal reimbursement for these licenses. Based on the above figures, the increase in federal revenue for existing licenses would equal \$12,582.

*New Reduced Fees.* The bill allows veterans with disabilities to take a turkey or kill a deer with a bow, shotgun, muzzle-loading gun, rifle, or handgun for a fee in the amount necessary to obtain federal reimbursement funds. The minimum fee for 2009 would be \$3. Because the bill expands the type of hunting for which a reduced fee would apply, additional veterans will likely apply for a license.

As indicated above, 3,572 veterans with disabilities purchased an existing license to hunt smaller game. Because the bill adds licenses for a reduced fee for the hunting of turkey and deer, the number of veterans that might apply could be as great as, or greater than, the number who are currently purchasing the existing licenses to hunt smaller game. Additionally, the number of veterans who are currently purchasing licenses has increased by a significant percentage during the past three years.

The following calculation assumes that an additional 4,000 eligible veterans will purchase a deer license for the reduced fees.

*Reduction in Deer License Fee Revenue:* Existing fees for a license to kill a deer is \$24. Subtracting the selling agent fee results in the DNR receiving \$23.25 per license sold. Reducing this fee to \$3 will result in a reduction in DNR revenue of \$21 per license sold (\$23.25 - \$2.25). If all of the estimated 4,000 eligible veterans purchased a license each year, the DNR would see a reduction in deer license fee revenue of \$84,000 each year.

*Additional Federal Revenue Based on Existing Eligible Licenses for Deer Hunters:* If all 4,000 eligible veterans who did not previously purchase a license, but purchased a deer license for a reduced fee, the increase in federal revenue would equal \$87,880. (As mentioned above, the federal reimbursement rate for 2009 is \$21.97 per hunter.) If 10%, or 400, of these hunters only purchased a license to hunt a deer, the federal revenue would equal \$8,788. The actual percent of these hunters who are purchasing only a deer license is unknown at this time, but it is unlikely that all of these hunters will only purchase a license to kill a deer. (Additional information regarding an estimate of the percentage of hunters who will likely only purchase a license to hunt a deer will be provided when it becomes available.)

*Reduction in Turkey License Fee Revenue:* The existing turkey license fee is \$25. Of this fee, \$0.75 may be retained by the selling agent with the DNR receiving \$24.25. Reducing this fee to \$3 with the selling agent retaining \$0.75 will result in the DNR receiving \$2.25, a reduction of revenue to the DNR of \$22 per license sold. Because the number of turkey hunting licenses sold for 2008 (or 19,817) is about 8% of the number of deer licenses sold (or 248,251), the estimate assumes only 8% of 4,000 eligible veterans, or 320, will purchase a license to kill a turkey. If 320 eligible veterans purchased a license to hunt turkey each year, the DNR would see a reduction in turkey license fee revenue of \$7,040 each year.

*Additional Federal Revenue Based on Eligible Licenses for Turkey Hunters:* If 320 eligible veterans who did not purchase another license, but purchased a license for a reduced fee for a turkey license, the increase in federal revenue would equal \$7,030. (The federal reimbursement rate of \$21.97 for hunters times 320.) If 10% of these hunters only purchased a license to hunt a turkey, the federal revenue would equal \$703. The actual percent of these hunters who are purchasing only a turkey license is unknown at this time, but it is unlikely that all of these hunters will only purchase a license to kill a deer. (Additional information regarding an estimate of the percentage of hunters who will likely only purchase a license to hunt a deer will be provided when it becomes available.)

*Total State Impact for Licenses with Reduced Fees:* The total annual state revenue loss from the two affected categories of licenses is \$91,040 (-\$7,040 + -\$84,000). A small increase of \$1,000 in state revenue (described above) would result in a net reduction in state revenue of \$90,040.

The possible federal reimbursement assuming 10% of hunters only purchase one license could increase by \$22,073 (\$12,582 + \$8,788 + \$703).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DNR.

**Local Agencies Affected:**

**Information Sources:** Indiana Department of Veterans Affairs, <http://www.in.gov/dva/2364.htm>; DNR.

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